

## Message Text

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ACTION IO-14

INFO OCT-01 NEA-14 ISO-00 IOE-00 AID-20 EB-11 SR-02 ORM-03

L-03 SCA-01 OMB-01 ABF-01 TRSE-00 SS-20 NSC-07

CIAE-00 INR-10 NSAE-00 RSC-01 SP-03 SSO-00 NSCE-00

INRE-00 CU-04 USIE-00 PA-04 PRS-01 DRC-01 /122 W

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O 181051Z JUN 74

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC IMMEDIATE 8459

INFO AMEMBASSY AMMAN IMMEDIATE

AMEMBASSY CAIRO IMMEDIATE

USINT DAMASCUS IMMEDIATE

USMISSION USUN NEW YORK IMMEDIATE

C O N F I D E N T I A L BEIRUT 6833

EO 11652: GDS

TAGS: EAID SREF UNRWA XF EG IS JD LE EY

REF: A. STATE 129351; B. STATE 128489

1. AFTER FURTHER DISCUSSIONS JUN 17 AND 18 WITH RENNIE AND HIS COLLEAGUES, COMGEN HAS GIVEN US FOLLOWING COMMENTS AND PROPOSALS.

2. HE MOST APPRECIATIVE EFFORTS PROVIDE LIMITED IMMEDIATE HELP PENDING MAJOR COMMITMENT AND WILL COOPERATE FULLEST EXTENT POSSIBLE WITH DEPT IN MAKING PRESCRIBED MODE OF ACTION RELEVANT TO PROBLEM. HE ASSUMES US PROGRAMME HAS PURELY FINANCIAL CONNOTATION, I.E., SIMPLY MEANS US PROGRAMME OF PROVIDING FUNDS FOR SPECIFIC USES BY UNRWA AND IN NO WAY IMPLIES ABANDONMENT BY UNRWA OF ALL OR PART OF PROGRAMME CARRIED OUT BY UNRWA ON BEHALF UNITED NATIONS OR AFFECTS GENERAL ASSEMBLY CONTROL AND AUTHORITY OVER UNRWA OPERATIONS. LATTER WOULD, OF COURSE, HAVE SERIOUS CONSTITUTIONAL AND POLITICAL IMPLICATIONS FOR UNRWA AND IN RESPECT OF EDUCATION PROGRAMME WOULD INVOLVE UNESCO ALSO. BECAUSE THERE NO CASH CONTENT IN 1974 BUDGET

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OF RATIONS, RATIONS MUST BE RULED OUT AND MOST PROMISING ACTIVITY

SEEMS GENERAL EDUCATION.

3. COMGEN UNDERSTANDS USG HAS ON OCCASION, E.G., BANGLADESH RELIEF, CONTRIBUTED TO A UN TRUST FUND ESTABLISHED BY SEC GEN FOR SPECIFIC ACTIVITIES UNDER UN FINANCIAL REGULATION 6.6. COULD THIS CHANNEL BE USED, E.G., USG (AND OTHER GOVT(S)) WOULD CONTRIBUTE TO A UN TRUST FUND ESTABLISHED BY SEC GEN FROM WHICH HE WOULD AUTHORIZE PAYMENTS TO UNRWA FOR GENERAL EDUCATION PROGRAMME? REPORTS ON USE COULD BE MADE. RENNIE CONSULTING SYG ON THIS POSSIBILITY.

4. ALTERNATIVELY, IF UN TRUST FUND NOT POSSIBLE, UNRWA COULD ESTABLISH SPECIAL ACCOUNT FOR DIRECT COSTS OF GENERAL EDUCATION, I.E., ELEMENTARY AND PREPARATORY (JUNIOR HIGH) CYCLES (NOT INCLUDING UNESCO CONTRIBUTION OR INSTITUTE OF EDUCATION), AT ESTIMATED COST \$26 MILLION IN 1974. UNRWA IS ALREADY RECEIVING CONTRIBUTIONS EARMARKED FOR GENERAL EDUCATION WHICH AGENCY WOULD ALLOCATE TO THIS ACCOUNT, THUS AVOIDING REQUIREMENT GAO AUDIT (WHICH WOULD BE UNACCEPTABLE TO UN). IF EEC DECIDED TO MAKE CONTRIBUTION FOR PREPARATORY CYCLE EDUCATION IT WOULD BE SIMILARLY ALLOCATED. IN ANY EVENT, BALANCE REQUIRED MEET FULL DIRECT COSTS OF GENERAL EDUCATION WOULD BE MADE UP BY ALLOCATION FROM GENERAL UNRWA INCOME.

5. COMGEN ASSUMES THAT US LEGISLATIVE REQUIREMENT WOULD BE MET IF BUDGET OPERATIONS RPT OPERATIONS FOR SPECIAL ACCOUNT KEPT SEPARATE FROM GENERAL BUDGET IN ACCOUNTING SENSE AND THAT THERE WOULD BE NO OBJECTION INCLUDING INCOME AND EXPENDITURES RELATED TO SPECIAL ACCOUNT IN UNRWA GENERAL BUDGET PRESENTATIONS AND OVERALL STATEMENTS OF UNRWA FINANCIAL POSITION. EXPENDITURE ON GENERAL EDUCATION AS DEFINED IN PARA 3 WOULD BE CHARGED TO SPECIAL ACCOUNT BUT WOULD BE PART OF UNRWA CONSOLIDATED BUDGET. WHILE SPECIFIC CONTRIBUTORS WOULD BE SUPPLIED WITH INFORMATION ON USE OF FUNDS, AS IS ALREADY PRACTICE WITH CONTRIBUTIONS EARMARKED FOR SPECIFIC PURPOSES, THERE WOULD NOT BE SEPARATE FINANCIAL REPORTING IN PUBLISHED ACCOUNTS OR IN CONGEN'S REPORT TO GENERAL ASSEMBLY BECAUSE IMPORTANT NOT TO GIVE FALSE IMPRESSION UNRWA HAS HANDED OVER PART OF EDUCATION PROGRAMME TO CERTAIN CONTRIBUTING GOVTS AND SO ABDICATED RESPONSIBILITY.

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6. MATTER OF CONCERN TO UNRWA IS FORM AND CONTENT CONTRACT WITH USG AND ITS IMPLICATIONS. THEY WOULD LIKE FURTHER INFORMATION URGENTLY ON THESE ASPECTS OF CONTRACTUAL ARRANGEMENT AS THEY MAY WISH TO CONSULT UN HQ AS WELL AS UNESCO (WHOM THEY FEEL THEY MUST CONSULT ABOUT SPECIAL ACCOUNT FOR EDUCATION, THOUGH IF ARRANGEMENTS PROPOSED IN PARAS 3 AND 4 ACCEPTABLE THEY EXPECT NO DIFFICULTY PROVIDED FORM AND CONTENT OF CONTRACT UNEXCEPTIONABLE).

7 COMMENT: WE FEEL UNRWA DOING UTMOST TO FIND MUTUALLY ACCEPTABLE  
MEANS OF MAKING USE OF ADDITIONAL USG FUNDS. THEY WANT MONEY BADLY  
AND WE BELIEVE WILL DO NECESSARY TO OBTAIN IT. HOWEVER WE THINK  
THERE HAS BEEN CERTAIN AMOUNT OF WHEEL SPINNING IN EFFORTS TO  
CLARIFY MUTUAL POSITIONS AND THAT MOST USEFUL EFFORT WOULD BE FOR  
THEM TO COME UP WITH SPECIFIC PROPOSAL WITH WHICH THEY  
COULD LIVE AND THEN SEE HOW THIS STANDS UP TO OUR REQUIREMENTS.  
PARA 4 PRESENTS SUCH PROPOSAL AND WOULD APPRECIATE DEPT'S  
COMMENTS SOONEST AS WELL AS ANSWER RENNIE'S QUERY RE PROPOSED  
CONTRACT.  
GODLEY

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, REFUGEE RELIEF, FOREIGN ASSISTANCE PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** WorrelSW  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BEIRUT06833  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740158-0545  
**From:** BEIRUT  
**Handling Restrictions:** n/a  
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**Line Count:** 126  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION IO  
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**Original Previous Classification:** n/a  
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30 JUN 2005

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**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** UNRWA FINANCES  
**TAGS:** EAID, SREF, XF, EG, IS, JO, LE, UNRWA  
**To:** STATE  
**Type:** TE  
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